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May 25, 2005

Michael E. Alpert
Chairman, Little Hoover Commission
925 L Street, Suite 805
Sacramento, California 95814



RE: Governor's Energy Agency Reorganization Plan

Dear Chairman Alpert,

Mirant is a competitive energy company, which owns or leases over 18,000 megawatts of electric generating capacity globally. Our California capacity consists of three generating plants in the San Francisco Bay area providing some 2,347 megawatts (MW) of vital capacity to San Francisco, Northern California, and the California Power Grid. Mirant supports the Governor's creation of a Department of Energy (DOE) as a cabinet-level agency that consolidates the many functions of the California Energy Commission, the California Power Authority, the Electric Oversight Board, and the California Electricity Resource Scheduler (currently part of the Department of Water Resources).

The timing for such consolidation could not be any better; California has struggled with efficiently and effectively implementing energy policy that meets the demands of its constituency and economy. Consolidation provides the opportunity for coordination and cohesive regulation that in turn will instill confidence in much needed energy investment both within the state and the broader regional market. Securing the energy investment to meet future demand will continue to keep California at the forefront of the national and global economy.

Mirant encourages the Commission to see the opportunity with the proposed creation of the California Department of Energy and allow the state of California to capitalize on its results. Finally, Mirant offers its assistance to this Commission and the Administration in implementing any consolidation effort.

Respectfully,

A handwritten signature in dark ink, appearing to read "Anne M. Cleary". The signature is fluid and cursive, with the first name "Anne" being more prominent.

Anne Cleary
Vice President

Mr. Michael E. Alpert
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cc: Stanley R. Zax, Vice-Chairman
David J. Epstein
Senator Liz Figueroa
Daniel W. Hancock
Welton C. Mansfield
Eugene "Mitch" Mitchell
Stuart G. Moldaw
Assembly Member Pedro Nava
Senator Charles S. Poochigian
Leslie "Teddie" Ray
Joseph Rodota
Assembly Member Audra Strickland
James P. Mayer, Executive Director
Joe Desmond, CEC